
Q17. (If want more information) What is the best way to get this type of information to you?

Among those wanting further information, three-quarters would like some form of direct contact through the mail (55%) or billing inserts (21%).

About 30% would like the information to come from a news source; television news was named by 16%, newspapers by 13% and radio news by 6%. In addition, 6% suggested public service announcements. Billing inserts are particularly popular with college graduates and homemakers.

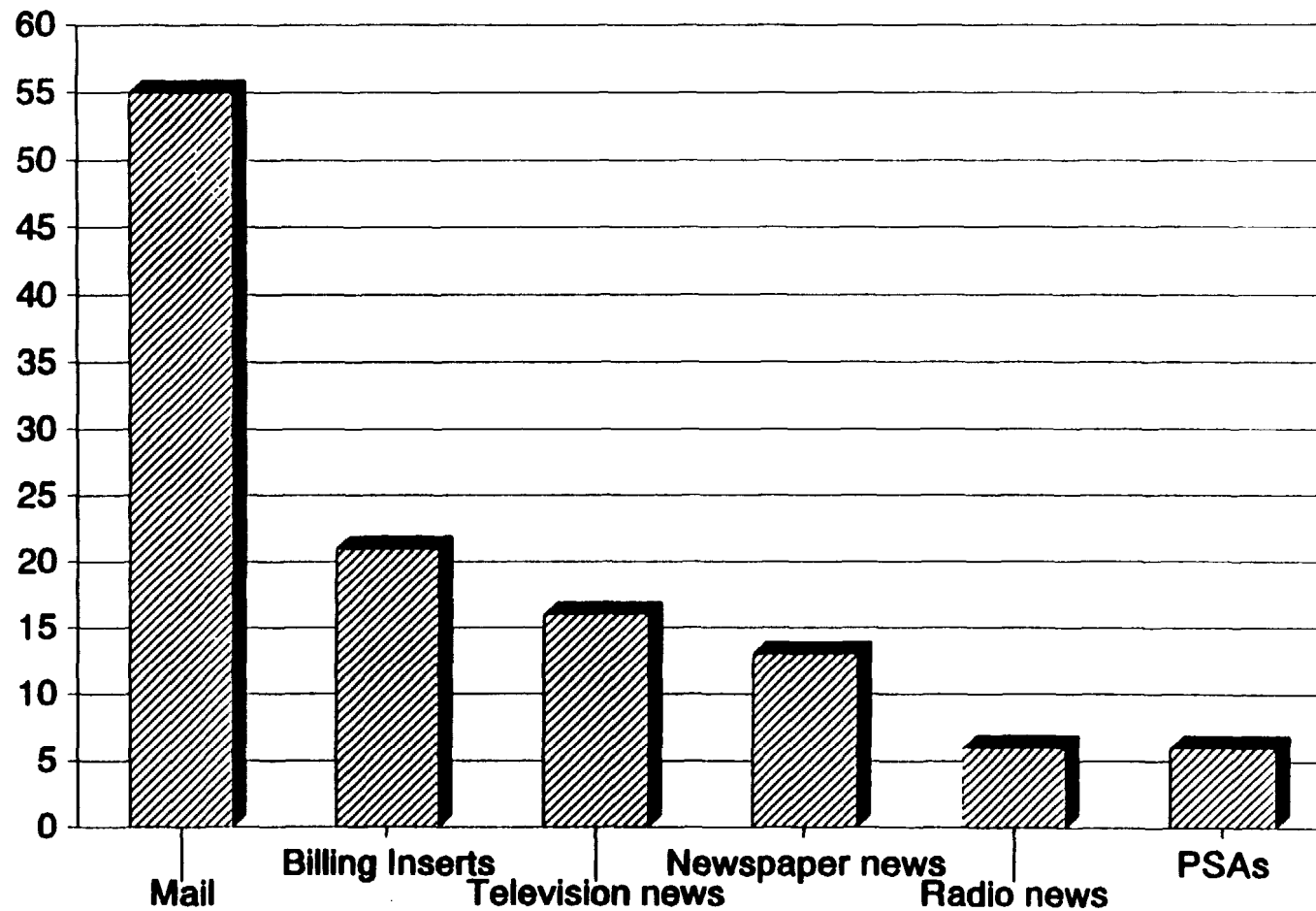
	<u>TOTAL</u>
Total Participants	244
Direct contact	75%

Mail	55
Billing inserts	21
Telephone call	2
News	30%

Television news	16
Newspaper news	13
Radio news	6
Public Service Announcements	6%

Television	2
Newspaper	2
Radio	2

Preferred Sources of Information About Area Code Change (Multiple Response)



Q18. Of the following organizations, which one do you consider most credible?

Local telephone providers (32%) and the news media (30%) are considered the two best sources of information. The Oregon Public Utility Commission (PUC) is considered the most credible by 13%.

Local telephone providers are held in highest esteem by graduate degree holders, women and homemakers. The news media garners the trust of high school grads, white collar workers, professionals and the self-employed.

	<u>TOTAL</u>
Total Participants	415
Your local phone provider	32%
The news media	30
The Oregon Public Utility Commission	13
Trust no one	9
Other government officials	2
Don't know	10
Other sources	3

DEMOGRAPHICS

Q19. How many telephone lines do you have in your home?

	TOTAL

Total Participants	414
One line	82%
Two lines	14
Three lines	3

Q20. How long have you had your current telephone number?

	TOTAL

Total Participants	413
One year or less	18%
Two to four years	23
Five and nine years	21
Ten or more years	39
Mean	10.96

Q21. Do you or does anyone in your household have a cellular phone?

Cellular phone users are more likely to have some previous awareness of this issue and to make telecommunications decisions for their employer.

Those in the Eastern and Portland regions, homeowners, homemakers, white collar workers and professionals use cellular phones more often.

	TOTAL
	<hr/>
Total Participants	414
Yes	22%
No	78

Q22. May I ask your occupation?

	TOTAL
	<hr/>
Total Participants	413
Blue collar	29%
Retired	22
White collar	16
Homemaker	9
Professional	6
Grey collar	6
Student	5
Self-employed	4
Unemployed/disabled	2

Riley Research Associates	22
---------------------------	----

Q23. (If employed outside the home) Do you make telecommunications decisions for your employer?

	TOTAL
	<hr/>
Total Participants	236
No	76%
Yes	24

Q24. Into which of the following age groups do you fall?

	TOTAL
	<hr/>
Total Participants	414
18 to 24	11%
25 to 34	18
35 to 44	20
45 to 54	19
55 to 64	16
65+	16

Q25. What was the last grade in school you had the opportunity to complete?

	TOTAL

Total Participants	414
High school or less	37%
Some college/trade school	38
Four year college	17
Graduate school	7
Refused	1

Q26. Do you rent or own your home?

	TOTAL

Total Participants	409
Rent	31%
Own	69

Q27. Gender

	TOTAL

Total Participants	414
Male	40%
Female	60
Riley Research Associates	24

Q28. Would you like to receive additional information on this subject?

	TOTAL

Total Participants	409
No	46%
Yes	54 ³

Region

	Weighted	Unweighted Base
	-----	-----
Total Participants	415	415
Portland LATA	56%	27%
Eugene LATA	29	27
Portland LATA (outside NW Oregon)	13	27
North Coast (Astoria to Depot Bay)	3	19

³ All respondents requesting additional information were mail a copy of the PUC Consumer Bulletin "Oregon's New Area Code."

CONCLUSIONS

"Split" Plan Option

The "split" is the option preferred by most Oregonians; 83% prefer the "split" plan to an "overlay" type plan.

Four of five residents also agree with a proposed division that would group Portland, Salem and Northwest Oregon into one region and the rest of the state in the other.

Who should keep the 503 area code is less certain. On a proportional, state-wide basis, 70% of Oregonians feel that Portland, Salem and the North Coast should retain the 503 code, while in Eastern and Southern Oregon (Eugene LATA) only a plurality of residents agree.

"Overlay" Plan Option

Only about one of ten Oregonians prefers the "overlay" to an area code "split." The major resistance to this option is due to the local ten digit dialing requirement. Other negative aspects include the time of dialing extra digits, costs associated with misdialled numbers, uncertainty about which code to use and a conviction that it is difficult to remember ten digits.

Residential customers associate area codes with geography and are not enthusiastic about a move away from this geographically-based system.

Regional Concerns

In addition to disagreement about which area should retain the 503 area code under a "split", the coastal communities between Tillamook and Depot Bay have divided opinions regarding the area code with which they would like to be associated. Roughly one-third prefer each option and one-third would be satisfied either way.

Arguments

Among arguments tested the item most supportive of the "split" plan is "all local calls could continue to be made by dialing just seven digits." This concept ties in with consumer concerns about confusion and error when dialing ten digits in the event of an "overlay."

The second argument in favor of the "split" garnering a very high level of support is that it allows for each local area to be under the same area code. This reflects the consumer concern about the "overlay" that they would be unable to determine the appropriate code to use.

The two arguments tested that favor the "overlay" fell somewhat flat with most consumers. Just under two of five believe the plan is better because it allows all current customers to retain the 503 area code. Even fewer (30%) agree that the plan is superior because cellular phones would not need to be reprogrammed.

Communications Methods and Sources

In general, television news is the number one news source especially for renters, the retired, blue collar and grey collar workers. Second most popular overall, newspapers may more effectively reach college graduates, white collar workers, professionals, cellular phone users and telecommunications decision makers.

While many retrieve their news from media sources, nearly three-quarters are seeking information about this issue through the direct contact of mail or billing inserts. Local telephone providers are considered most credible among sources of information tested.

Media news sources are the desired form of communication and also a trusted source for about one-third of respondents. Groups most likely to be reached through the news media are those with only a high school education, blue collar workers, grey collar workers, students, unemployed, renters and the disabled.

Date: ____ / ____ /95

Phone # (____) ____ - ____ 57

Area: Portland 1 Eugene 2 Eastern 3 Coastal 4a

Introduction

Hello, my name is _____ of Riley Research Associates. We're calling on behalf of Oregon phone companies regarding potential changes to the telephone system. (IF NECESSARY) Are you 18 years of age or older? (IF NECESSARY) Before we start, I want you to know all the information you provide will be kept in strict confidence.

Plans

Q1. Recent growth has made it necessary to plan for a second area code. Two potential solutions are being considered. Under both plans everyone would keep their seven digit telephone number, only the 503 portion of the telephone number might be affected. Have you heard anything about this issue?¹² Yes 1 No 2 DK 3

Q2. One plan, called a "split," would divide the state into two geographic areas. One section would keep the 503 area code and the other would begin using a new area code. Under this plan all cellular phones in the new area code would need to be reprogrammed. What potential problems, questions or concerns do you have about this plan? ^{14,21}

Q3. With the second option, known as an "overlay," all current customers would get to keep their 503 code and their current phone numbers, but as new prefixes are assigned, each new number would have the new area code. Because both area codes would be used throughout the state, everyone would have to dial all 10 digits, even when making local calls. What potential problems, questions or concerns do you have about this plan? ^{23,30}

Test Messages

Now, I am going to read a list of statements and for each one, please tell me if you agree strongly, agree somewhat, disagree somewhat or disagree strongly. (READ AND ROTATE LIST)
(RE-READ EXPLANATIONS IF NECESSARY)

____ Q4. Of the two plans, the one that affects the fewest people should be adopted.³²
Agree Str 1 Agree Some 2 (Neutral 3) Dis Some 4 Dis Str 5 (DK 6)

____ Q5. The split plan is better because all local calls could continue to be made by dialing just seven digits.³⁴
Agree Str 1 Agree Some 2 (Neutral 3) Dis Some 4 Dis Str 5 (DK 6)

____ Q6. The overlay plan is better because all current customers could keep the 503 area code.³⁶
Agree Str 1 Agree Some 2 (Neutral 3) Dis Some 4 Dis Str 5 (DK 6)

____ Q7. The split plan is better because it ensures all local phone numbers will have the same area code.³⁸
Agree Str 1 Agree Some 2 (Neutral 3) Dis Some 4 Dis Str 5 (DK 6)

Q8. The overlay is better because cellular phone users won't need to have their equipment re-programmed.⁴⁰

Agree Str 1 Agree Some 2 (Neutral 3) Dis Some 4 Dis Str 5 (DK 6)

Plan Preferences

Q9. Considering what I've told you about the two proposed plans, which plan do you prefer, the split plan which divides the state into two area codes or the overlay plan where the two codes are intermixed throughout Oregon.⁴⁶

Split 1 Overlay 2 Both 3 Neither 4 Don't know 5 Unsure/Need more info 6

Q10. Now, regardless of which plan you prefer, I'd like to ask about one proposed split-type plan. It would place Portland, Salem and Northwest Oregon into one area and the rest of the state into the other. To what extent do you agree with this idea, do you agree strongly, agree somewhat, disagree somewhat or disagree strongly?⁴⁸

Agree Str 1 Agree Some 2 (Neutral 3) Dis Some 4 Dis Str 5 (DK 6) (Depends 7)

Q11. (IF DISAGREE) What would be a better way to divide the state and why? ^{76.83}

Q13. (FOR NORTH COAST CALLS) If a split plan were adopted, would you prefer to have the same area code as Portland and Salem or to share an area code with Newport, Corvallis and the South Coast?⁸⁷ Portland/Salem 1 Newport/Corvallis 2 Either 3 DK 4

Q14. Why is that?^{89.96}

Q12. Because it would affect fewer customers, it was suggested that Portland, Salem and Northwest Oregon should keep the 503 area code, while the rest of the state would adopt the new area code. To what extent do you agree with this idea, do you agree strongly, agree somewhat, disagree somewhat or disagree strongly?⁹⁵

Agree Str 1 Agree Some 2 (Neutral 3) Dis Some 4 Dis Str 5 (DK 6)

Information sources

Q15. From what source do you currently get most of your news information? (DO NOT READ)^{98.103}

Radio 1 Local paper 3 Television news 5
Oregonian 2 Public meetings 4 Other:

Q16. What additional information about this change would you find useful? (PROBE)^{105.110}
(IF NONE GOTO Q18)

Q17. (IF INFO) And, what is the best way to get this type of information to you? (DO NOT READ) (PROBE) News or Public Service Announcements?^{112.121}

Television (ASK PROBE) News 01 PSA 04 Other:
Radio (ASK PROBE) News 02 PSA 05
Newspapers (ASK PROBE) News 03 PSA 06
Public Meetings 07 Billing inserts 08 Mail 09

Q18. Of the following organizations, which one do you consider most credible? 23
(READ LIST)

	<u>1st</u>		
Your local telephone provider	01	Don't know	06
The news media	02	Trust no one	07
The Oregon Public Utility Commission	03		
Other government officials	04		
... or some <u>other</u> source? (SPECIFY)	05		

Demographics

Q19. How many telephone lines do you have in your home?¹²⁷ 1 2 3 4 5+

Q20. How long have you had your current telephone number?^{129,130} _____ years

Q21. Do you or does anyone in your household have a cellular phone?¹³² Yes 1 No 2

Q22. May I ask your occupation?¹³² _____

Q23.(IF EMPLOYED) Do you make telecommunications decisions for your employer?¹³⁶ Yes 1 No2

Q24. To finish up, into which of the following age groups do you fall? (READ LIST)¹³⁸

18 - 24	2	35 - 44	4	55 - 64	6	
25 - 34	3	45 - 54	5	65+	7	(DON'T READ) Refused 9

Q25. What was the last grade in school you had the opportunity to complete?¹⁴⁰

<High school 1 Some College/Trade 2 4-Year college 3 Graduate School 4 (Refused 9)

Q26. Do you rent or own your home?¹⁴² Rent 1 Own 2

Q27. (DON'T ASK) Gender¹⁴⁴ Male 1 Female 2

Q28. Would you like to receive additional information on this subject?¹⁴⁶

No 1 That will do it. Thanks for your help.

Yes 2 (WRITE ADDRESS ON SEPARATE PAGE)

RILEY & ASSOCIATES, INC.
RESEARCH FOR MARKETING, PUBLIC RELATIONS AND PLANNING

April 10, 1995

TO: Larry Hall
OITA COMMUNICATIONS COMMITTEE

FROM: Michael J. Riley
RILEY RESEARCH ASSOCIATES

RE: AREA CODE RESEARCH / BUSINESS FOCUS GROUPS

TABLE OF CONTENTS

Overview 1

Methodology 1

Awareness 2

Reprogramming 5

Arguments 7

Information 10

Conclusions 12

Awareness

First of all, besides what our recruiter told you, what -- if anything -- can you tell me the area code issue? Are you aware of any problems associated with changes elsewhere? Where have you gotten your information?

While most participants were aware that an area code addition is being planned, knowledge of the alternatives was spotty. While the larger and more sophisticated businesses appear to have plans and personnel in place, the smaller firms have adopted a wait-and-see attitude. In each group, most were aware of the "split" proposal, while only one or two individuals had also heard about the proposed "overlay."

There was limited knowledge about potential "problems." A small number of respondents in each city cited situations in which "older" business telephone systems were unable to accommodate the North American Numbering Plan (NANP) changes. Some participants had experienced -- or were aware of -- problems in attempting to call Vancouver, Washington. Some frustration already exists with regards to not receiving area code and prefix information for routing and toll control systems.

Overview

Riley Research Associates was asked to conduct research among Oregon residential and business telephone customers, regarding their perceptions and preferences in regards to the impact of imminent area code changes.

One objective of the research was to provide telephone service providers and the Oregon Public Utility Commission (PUC) with information to assist in effective decision-making regarding preferred alternatives. The primary question involved an informed choice between a geographic "split," versus an "overlay" system, in which existing numbers would maintain the 503 area code, while new numbers would receive an alternative area code.

In addition to determining preferences, the research was also designed to be used to mitigate the potential impact of such changes by providing information regarding customer questions and concerns. Finally, the research was intended to facilitate effective communication by providing insight regarding the desired messages, an appropriate timetable, preferred communication vehicles, and expected channels for the information.

Methodology

Because the subject was fairly complex with unknown implications, we felt that a round-table, interactive focus group format would provide the most effective means for addressing the issues.

Five focus groups were conducted state-wide with one group each in Portland, Medford, Bend, Astoria and LaGrande. For each group, prospective participants were selected using a systematic random process. Area appropriate business list sources were used including telephone directories, Chamber of Commerce listings and a CD-ROM reverse directory.

Because businesses equipped with automated dialing or routing equipment will experience greater impact than those with simple direct lines, we established a goal to recruit a minimum of three such firms for each group. As the hospitality industry will be similarly affected, one hotel or motel was recruited in each city.

The groups were conducted during the last week in March and the first week in April 1995. Four communications committee member/representatives attended the (initial) Portland group in order to assess the response and to provide feedback about the discussion guide. A refined discussion guide was used in the four subsequent sessions. Approximately ten participants attended each group.

The results of the five focus groups were brought together in the following question-by-question summary report.

Under one option, known as a "split," Oregon would be divided into two geographic areas, with one area keeping the current 503 area code, while the other would begin using a new area code.

Under the second option, known as an "overlay," all current users would keep their 503 area code, but as local prefixes are exhausted, all new numbers would get the new code. But because area codes would be intermixed, every call, including local ones, would require dialing all 10 digits. Given this information, what questions or concerns come to mind?

Respondents overwhelmingly favor the geographic split option. People value the certainty of the geographic split. Many cited the benefit of being able to look at an area code map (in the telephone directory) and see exactly where they are calling. Respondents felt the idea of dual area codes within the same community or business would be very confusing.

Frequent questions included: How will this affect long-distance charges? Under the overlay, how will callers know which area code to dial for directory assistance? Why can't cellular phones, voice mail, fax machines or pagers be assigned the new area code? How long will the proposed "fix" last?

Participants generally recognize an area code change will necessitate new business cards, letterhead, promotional materials and advertising. Once raised, advertising concerns became a topic of animated discussion, especially for businesses whose customers are outside of the area, who call infrequently (i.e., on a seasonal basis) or who rely on word-of-mouth referrals.

Suggestions for reducing the potential impact of changes included maximizing the lead time, providing for extended messaging (beyond the permissive period) and a national public information effort.

Central and Eastern Oregon participants suggested that urban areas be asked to bear the burden of the changes, based on the rationale that urban areas have been and will continue to be the magnets for the growth.

To back up for just a minute, I'd like to give you a little background. Due to increasing demand for telephone numbers, as a result of increasing residential and business lines, pagers, messaging services and cell phones, Oregon is running out of available telephone prefixes. Two solutions are being considered and both are designed to solve the problem, while minimizing the potential impact on residential and business customers.

Might these changes affect in-bound calls? If so, how? For example, from customers or vendors?

This was an area of significant concern -- especially with regard to in-bound calls from customers: "the vendors will find us." The anxiety level was especially high among businesses whose customers are from out of the area and/or who call infrequently.

Examples of potential in-bound calling problems included those promotional materials (broadly distributed directories and catalogs) which customers might refer to months - - or even years -- after their initial distribution. Problems were envisioned in dealing with advertising media whose closing dates precede the change notice, and for industries which rely on long-term word-of-mouth referrals, such as resorts and real estate brokers.

It was generally understood that, at some point, callers would simply get either a wrong number, or a "not in service" announcement. Those who receive facsimiles from customers were distressed that the sender would never know why the fax was not going through.

Some companies may also need to make sure third-party suppliers get their systems upgraded. What additional concerns or suggestions does this raise?

For the most part, there was little recognition that long-distance providers or equipment firms might cause problems due to delays in system enhancements.

Reprogramming

According to our screening, many of you work for organizations which have some kind of software-based calling system, auto dialing, long-distance routing systems or perhaps a PBX. First ... under the split ... how do you expect this kind of change would affect your organization? How will changes affect you, specifically?

There are two distinct groups of businesses. One is the progressive, technically adept organization which continually upgrades its system. Those who have system service contracts also appear to have been alerted.

The non-technical PBX owner, however, appears unprepared. Unless this person has had occasion to attempt to call one of the new area codes (i.e., Vancouver, Washington), they probably will not initiate any research on their system's readiness. There is general recognition that affected speed-dial numbers will need to be reprogrammed, but it was generally assumed that potential phone system changes would be modest, one-time inconveniences.

Now under the overlay ... how do you expect this change would alter your organization? How will those changes affect you?

Businesses consider this option a bad idea. There is broad concern that an overlay would cause considerable confusion among consumers. Frequently mentioned concerns included: how it will affect long-distance tolls and free-calling areas, how callers will know which area code to use for directory assistance, that fear that many people (particularly seniors) will have a hard time remembering ten digits.

3. Some say the overlay is better because users of cellular phones won't have to return their equipment for re-programming.

Cellular telephone re-programming is thought to be a relatively small, one-time inconvenience affecting a limited number of individuals. The benefit was not thought to out-weigh the detriments of the overlay plan.

4. Others say the split plan is better because all local calls could continue to be made by dialing just seven digits.

There was virtual unanimous agreement with this argument.

An issue related to the split plan is how to do it. One proposal suggests that the best long-term solution is to place Portland, Salem and Northwest Oregon in one region, and the rest of the state in the other. What's good or bad about that idea? What other questions are raised?

Few participants expressed concerns or reservations about this proposal. One overriding interest was that -- however the solution is accomplished -- it needs to be an effective, one-time change and a long-term solution.

Members of two different groups suggested that a three area code solution be adopted, so that Oregonians outside of high growth areas would remain unaffected for a long time to come (20 to 30 years).

Some businesses, already dissatisfied with local service providers, were concerned with potential service problems. In Astoria, the hospital and a motel cited on-going difficulty for customers attempting to connect with desired long-distance companies. In LaGrande, some observed the lack of a local telephone company office.

Arguments

Now I'd like you to tell me whether you agree or disagree with the following:

1. One of the arguments for the overlay plan is that, in the smaller communities, as long as they don't run out of available numbers, they could keep the 503 code indefinitely.

The general feeling (even in the rural communities) was that the benefit serves only a small number of telephone customers and is short-sighted. It was also thought that the 10-digit dialing requirement would out-weigh the benefit.

2. An argument against the overlay plan is that most businesses would eventually have to have some of their numbers under one area code and some under the other.

This possibility was deemed "unacceptable." Even when provided the information that "roll-over" lines could make the dual area codes invisible to customers, most people expressed great reservations and concern regarding a high potential for confusion.

Information

Regardless of which plan is adopted, the Oregon Public Utility Commission and the local telephone companies want to do a good job of informing you of the changes and their potential impact. If the split plan were adopted, a six month grace period would begin this November, in which either the new or old prefix can be used, with the final change-over to be implemented in April of '96.

Under the overlay, some businesses would begin feeling the impact next spring. How should what information be disseminated, and on what timetable?

Under either scenario, businesses want to be notified of their specific impact as soon as possible. Directory advertising, catalog printing, brochures and other promotional vehicles will need to be produced using the appropriate information. Because deadlines are imminent, businesses need to take action immediately.

What is the best way to provide information to you, and through what channels? Which sources would you find most productive?

Most businesses look to their local telephone provider for information. As such, the most frequently cited information source is billing inserts. Special high visibility mailings might help get the attention of pre-occupied business people. Under the split option, such mailings could include maps and lists of the communities represented by each area code.

Another side of the split plan issue is going to be which zone should get to keep the 503 area code. What are your thoughts about that?

The largest share of participants conceded that fewer businesses would be affected if the Portland/Salem area kept the 503 code. Some participants expressed indignation about the issue (especially in LaGrande), countering that Portland should have to deal with the new number, "because Portland is where most of the growth has, and will continue to occur."

In Eastern Oregon there is a perception that Portland, because of its political clout, can impose the change on the rest of the state. "We should be compensated for our printing costs." "Perhaps they could compensate us by providing a lower-cost toll for calling Portland -- it's (currently) cheaper to call Boise."

One person (ironically from Astoria) suggested that Portland should get to keep the 503 area code on the basis that more of the international business is conducted in Portland, predicting that international callers would have an especially difficult time obtaining the new area code.